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CENTRAL INTELLIGENCE AGENCY  
NATIONAL FOREIGN ASSESSMENT CENTER

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MEMORANDUMPANAMA: Aims in El SalvadorSummary

Panamanian strongman Omar Torrijos has been interested in foreign affairs and has viewed himself as a major player on the regional and Third World stage almost since he took power in 1968. Canal treaty negotiations with the United States consumed most of his energies until 1978, and the Nicaraguan crisis of 1978-79 was his first major opportunity to advance his own political influence and preferred solutions in the region.

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He now is focusing on El Salvador, where he sees himself as a mediator between contending military and leftist forces. He wants to see a revamped junta that ultimately could bring the radical left into the government. His growing belief that the right will not accommodate the left, however, probably will lead him to adopt a more aggressive policy to ensure a larger role for the radical left.

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Nicaraguan Experience

Circumstances robbed Torrijos of a lasting major role in Nicaragua. Cuba eventually occupied center stage in assisting the revolution, and Venezuela and Mexico played more important diplomatic roles in Somoza's ouster. Some of Torrijos' most daring--and reckless--schemes during the Nicaraguan revolution were deflected either by the United States or others.

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Torrijos' influence on post-Somoza Nicaragua has therefore been limited. He halted the Panamanian training program for Nicaraguan police earlier this year, partly as a result of his pique that the Cubans established themselves as the dominant foreign influence in Nicaragua. Torrijos probably believes that the Sandinistas viewed him more as a conduit for Cuban and Venezuelan arms and money than as a force in his own right. [ ]

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Still smarting from his quick displacement in Nicaragua, Torrijos has been trying to lessen Cuban prominence in the region. [ ]

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### Larger Role in Latin America

After 12 years, the Torrijos "revolution" is well established and for Torrijos the challenge--and glory--is in foreign affairs. He still retains complete control of foreign policy and often bypasses both the Foreign Ministry and President Royo. When Royo does take an initiative, he is taking his cue from Torrijos. [ ]

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Since his setback in Nicaragua, Torrijos increasingly has sought a major international role. Some of his efforts are orthodox diplomacy, such as his agreement to grant refuge to the Shah and his drive to induce Japan to help build a new sea-level canal through the country. [ ]

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Torrijos, however, is also widening his circle of contacts with progressive and leftist forces in Latin America, believing he has a unique ability to bridge the center-right and the left. For example, Torrijos has indicated a willingness to facilitate a dialogue between Colombian authorities and the extremist 19th of April Movement that seized the Dominican Embassy last February. Fragmentary evidence suggests Panama may be allowing Colombian insurgents to use its territory for arms smuggling and travel. [ ]

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Panama's contacts with the revolutionary government of Grenada are on the increase; Panamanians, for example, are training Grenadian police. Earlier this year, Torrijos tried to set up a meeting between US officials and Prime Minister Bishop to smooth US-Grenadian relations. Torrijos also appears to be

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expanding his contacts with Belize. In Uruguay, Panama is apparently willing to risk a formal rupture of relations by pursuing its campaign for the release of imprisoned military dissident General Seregni. Similarly, Panama's recent red carpet treatment of former Argentine President Campora, which was an adjunct to its efforts to gain the release of the jailed widow of Juan Peron, has angered Argentine authorities. Although all these initiatives fit Torrijos' established patterns, collectively they reflect the quickening pace of Panama's diplomacy. [ ]

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The generally quiet internal political situation is conducive to a greater effort in foreign affairs. Domestic problems still occupy some of Torrijos' time--notwithstanding his relinquishing the title of Chief of Government in 1978--but the home scene is far more settled this year than in 1978-79. Torrijos' shift last year toward more centrist domestic policies has borne fruit and both leftist and rightist groups are quiescent. [ ]

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#### Salvadoran Policies

Torrijos' major foreign policy target is El Salvador, where he believes he is particularly well qualified to mediate between the military and the left. In contrast to his reactive policy last year in Nicaragua, Torrijos has played an increasingly activist role in El Salvador. His links to El Salvador are deeper and also more varied than those he had with Managua. He has good contacts with the military, especially with the junior officers and other reformist elements. He has sustained a close personal rapport with the Salvadoran ranks for the 30 years since he was a cadet at their military school; many other Panamanian officers are also graduates of El Salvador's military academy. Torrijos has put out many lines to the Salvadoran revolutionaries but he has neither the personal affinity for them nor the trust in them that he had for Nicaragua's Sandinistas. He finds them intransigent and politically naive, and becomes frustrated by their internal squabbling. As for other segments of the political spectrum, Torrijos may underestimate the strength of centrists and rightists both in the military and in the private sector. [ ]

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Although the unsettled Salvadoran scene has sometimes caused shifts in his thinking, Torrijos has generally tried to influence both the military and the left toward a political solution modeled on his own revolution. For Torrijos, the two essential ingredients are isolation of the right and a political partnership between the revolutionaries and the reformist military. [ ]

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Having worked closely with reformist military elements during the past year, Torrijos knows them well and has high hopes for their spokesman, Col. Majano. Having been told beforehand of the plot against the Romero government, Torrijos served as adviser to the young officers involved in last October's coup. The first post-Romero junta visited Panama shortly after its takeover and the two governments issued a joint statement on bilateral and multilateral issues. [redacted]

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With the installation of a second junta and continuing division in the Salvadoran military, Torrijos has intensified his so far unsuccessful campaign to convince military leaders in El Salvador that an opening to the revolutionaries would be in their interest. Believing the hardline Minister of Defense Garcia to be the real power in El Salvador, Torrijos has urged him and junta member Gutierrez to break completely with rightist groups. Torrijos has now become convinced, however, that Garcia will not relinquish his overriding goal of eliminating the left. [redacted]

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Torrijos places his faith instead in Majano and his constituency of young officers. Torrijos and his close advisers have let it be known that they see little hope in the Salvadoran junta as now constituted, and that they prefer a revamped government led by Majano that would launch a dialogue with the insurgents. Torrijos recognizes that the dissolution of the Nicaraguan National Guard severely limited his political influence in Nicaragua and does not want a similar situation to develop in El Salvador. As international criticism of the junta increased this spring because of growing rightist violence, he attempted to temper the sharpest denunciations of the Salvadoran military. [redacted]

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While Torrijos harbors reservations about the insurgents, he has given them reason to accept his bona fides. He has aided them materially and logistically, [redacted]

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[redacted]

Salvadoran leftists have met with a variety of Torrijos' representatives and are establishing a permanent presence, perhaps a headquarters, in Panama. Torrijos intends to husband his influence with them, hoping that eventually they will take his advice and give the progressive military a chance to pursue a political rather than a repressive solution to the civil strife. [redacted]

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Torrijos' aid to the insurgents coincides with Havana's efforts to set up support mechanisms for the Salvadorans, and some of the help is carried out in conjunction with the Cubans. More so than in Nicaragua, however, Torrijos is playing his own game. His colleagues in the National Guard are telling him that another Cuban-backed uprising in Central America could eventually threaten Panama's own stability. Last week, Panamanian authorities exposed two government employees for passing classified documents to the Cuban Embassy. One of the employees was also engaged in a propaganda campaign for the Salvadoran revolutionaries.

[REDACTED]

[REDACTED]

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### Outlook

Torrijos' contacts, determination, and resources make it almost certain that he will play an increased role in El Salvador. Although the extent of his influence is difficult to quantify, the Salvadoran balance of forces is fragile, and Torrijos' contribution could easily help tip the scales. In the near term, his greatest influence will be with the military. Over time, his courting of the left should expand his role with the radicals.

[REDACTED]

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As long as Torrijos retains some hope of influencing the present junta, his goals will continue more or less parallel to those of the United States. We suspect, however, that he is close to favoring destabilizing tactics.

[REDACTED]

[REDACTED]

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As Torrijos' pessimism about the current Salvadoran junta grows, he is likely to press for the "Majano solution." Since he relates so well with the younger officers and lends them an ear for their frustrations, Torrijos may have an exaggerated view of how ready and able they are to act on their discontent and overthrow the hardliners. Torrijos will also want to break the military stalemate while discord among the guerrilla leadership offers potential for negotiation and while Castro's influence is not paramount.

[REDACTED]

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In the absence of more determination by the Salvadoran progressive military, and with violence mounting, Torrijos is likely to turn more toward the radical left. He would want to increase his influence with them to cover his bets as well as make accommodation a more pressing priority for the junta. Besides his own visceral antipathy toward the extreme right that push him in this direction, Torrijos is surrounded by policy advisers telling him that the US is working to undercut him in the region, and they would encourage such a shift.

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